

WASHINGTON STAR

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Airline Linked to CIA May Bow Out

Southern Air Transport Inc., an airline allegedly owned for several years by the Central Intelligence Agency, has evidently decided to give up a large part of its operating authority, according to papers on file at the Civil Aeronautics Board.

Southern in a letter signed

by its Washington lawyer, James H. Bastian, said it will not continue to prosecute its applications to renew a large portion of its operating authority.

The letter was sent to Robert Johnson, a CAB administrative law judge presiding over proceedings involving renewal of operat-

ing authority for a dozen supplemental airlines.

SOUTHERN currently holds authority to transport inclusive charter tours within the United States and between this country and a group of central and south Pacific islands. It also has authority to fly to Australia,

Indonesia, and several Caribbean islands. The airline also has worldwide authority under Defense Department contracts and holds cargo authority to Central and South America.

Southern's decision means the airline will be left solely with its domestic operations and Defense Department contract business.

THE AIRLINE is involved in a fight with several other supplemental carriers. Stanley G. Williams, Southern's president, wants to acquire control of the airline from its present owners — but rival supplemental airlines have complained.

They say former stockholders unlawfully relinquished control of Southern to the CIA and that to allow Williams to simply acquire it now would give him a windfall to their disadvantage, since Southern has been the recipient of large sums of government financial aid.

MORI/CDF